

## Message Text

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PAGE 01 RIYADH 00397 261537Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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R 261225Z DEC 77  
FM USLO RIYADH  
TO SECSTATE WASHDC 218  
INFO AMEMBASSY JIDDA  
AMEMBASSY TEHRAN

C O N F I D E N T I A L RIYADH 397

EXDIS

FROM AMBASSADOR

E.O. 11652: GDS  
TAGS: ENRG, PFOR, XF, SA  
SUBJECT: CONVERSATION WITH PRINCE SAUD ON MIDDLE EAST ISSUES AND OIL

1. ON DECEMBER 24 I MET IN RIYADH WITH SAUDI FOREIGN MINISTER, PRINCE SAUD AL-FEISAL. I DELIVERED PRESIDENT'S LETTER TO HIS MAJESTY EXPRESSING GRATITUDE FOR SAUDI POSITION IN CARACAS. I ALSO MENTIONED VISITS OF SENTATE GROUP, CONGRESSMAN ZABLOCKI'S CONGRESSIONAL GROUP, AND POSSIBILITY OF VISIT BY MR. SCHLESINGER. PRINCE SAUD SAID THEY WERE ALL WELCOME AND THAT HE KNEW VARIOUS SAUDI MINISTERS WOULD LOOK FORWARD TO MEETING WITH THEM.

2. I GAVE FOREIGN MINISTER COPIES OF THE SUMMARIES OF ISRAELI PRIME MINISTER BEGIN'S TALKS WITH PRESIDENT CARTER. (THE ORIGINALS WERE PREVIOUSLY GIVEN TO PRINCE FAHD.) SAUD TOLD ME THE ANNOUNCEMENTS BY GOI ON PROPOSALS FOR PEACE ARE NOT VERY ENCOURAGING. I TOLD HIM THAT OUR POSITION WAS NOT TO TRY TO INFLUENCE PROCESS NOW UNDERWAY EXCEPT TO POINT OUT OBSTACLES THAT HAD TO BE OVERCOME. I THEN SHARED WITH THE FOREIGN MINISTER THE SUMMARY OF CURRENT ACTIVITIES AT CIARO CONFERENCE AS PROVIDED BY DEPARTMENT. HIS ROYAL HIGHNESS WANTED TO KNOW IF ANY SUBSTANTIVE DECISIONS HAD BEEN MADE  
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IN CAIRO AND IF SECRETARY VANCE INTENDED TO GO. PRINCE SAUD SAID HE HAD HEARD SECRETARY WOULD GO IF LEVEL OF REPRESENTATION WAS RAISED TO FOREIGN MINISTER LEVEL. I TOLD HIM I HAD NO INFORMATION ON THAT.

3. FOREIGN MINISTER THEN SAID HE HAD ONE THING TO RAISE WITH ME - THE REPERCUSSIONS IN THE AREA OF THE CONGRESSIONAL REPORT ON ENERGY. SPECIFICALLY HE FEGERRED TO SECTION WHICH SAID U.S. SHOULD PERMIT

IRAN TO INTERFERE IN GULF AND SAUDI ARABIA IF THE OIL SUPPLIES WERE THREATENED. HE TOLD ME THAT WHILE HE DID NOT BELIEVE IT, OTHERS DID. IT WAS SAME OLD THREAT OF MILITARY INTERVENTION ONLY THIS TIME WITH IRANIAN FORCES NOT U.S. FORCES. HE SAID THIS WAS NOT JUST A WILD REPORT SINCE IT CAME FROM CONGRESS. PRINCE SAUD NOTED THAT IRANIAN FOREIGN MINISTRY HAD DENIED THERE WAS ANY TRUTH IN THE REPORT. THIS IS WHAT SAUDI ARABIA EXPECTED BECAUSE RELATIONS BETWEEN IRAN AND SAUDI ARABIA ARE GOOD AND HARMONIOUS. PRINCE SAUD SAID HE HOPED ILL EFFECTS OF REPORT CAN BE DISSIPATED BY A STATEMENT FROM U.S. OFFICIALS THAT THE REPORT DOES NOT REPRESENT U.S. POLICY IN THE AREA. HE ADDED THAT HE FELT IN THE ABSENCE OF SUCH A DENIAL IRRESPONSIBLE REPORTS WOULD CONTINUE AND THE PRESIDENT WOULD FIND THIS ISSUE FACING HIM DURING HIS TRIP. THAT WOULD BE REGRETTABLE.

4. I POINTED OUT THE NATURE OF THE REPORT- THAT IT WAS FROM THE STAFF AND HAD NO STANDING EVEN BEFORE CONGRESS. IT CERTAINLY DID NOT REPRESENT U.S. FOREIGN POLICY. I UNDERTOOK TO SEE WHAT PUBLIC STATEMENTS HAD BEEN OR COULD BE MADE TO CLARIFY ISSUE.

5. ADDENDUM: ON DECEMBER 26, DCM WILEY DELIVERED TO FOREIGN MINISTRY

IN JIDDA A COPY OF PRESS RELEASE ISSUED BY DEPARTMENT COMMENTING ON WASHINGTON POST ARTICLE ON JACKSON REPORT.  
GNEHM

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## Message Attributes

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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Review Markings:**  
Margaret P. Grafeld  
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